

## VALUE CHAINS IN THE SPANISH FRESH SEAFOOD MARKET

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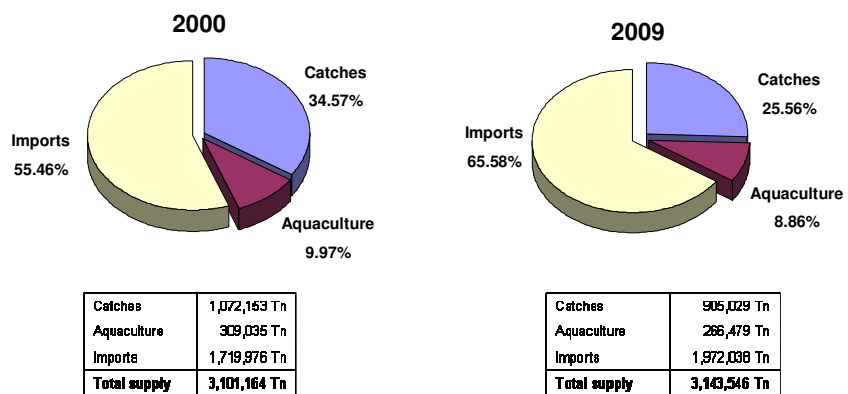
Market access and value-chains in fisheries and aquaculture

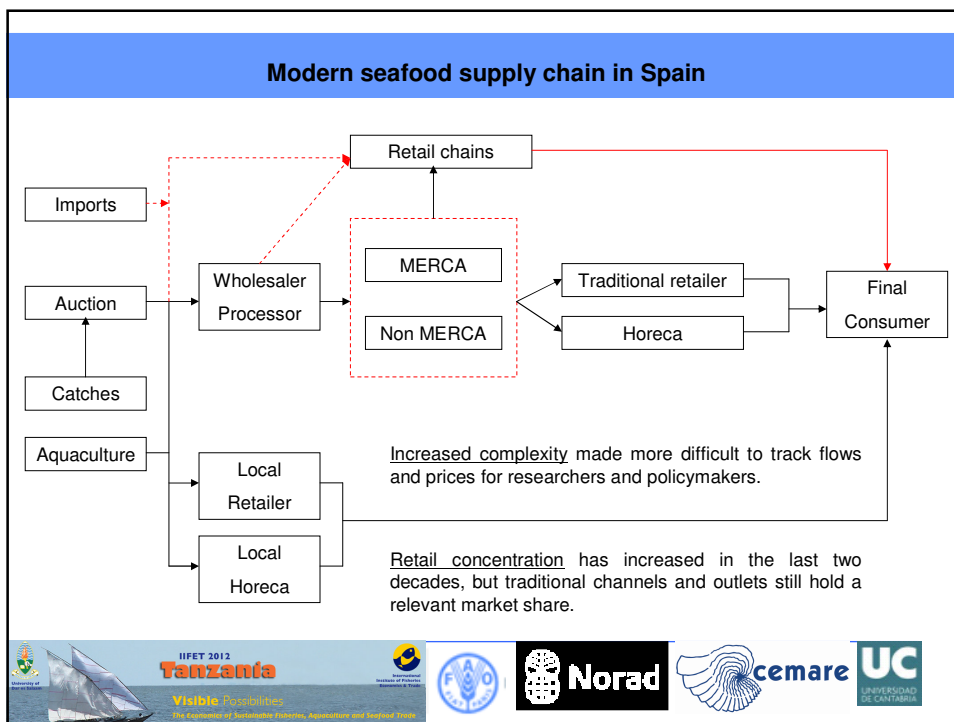
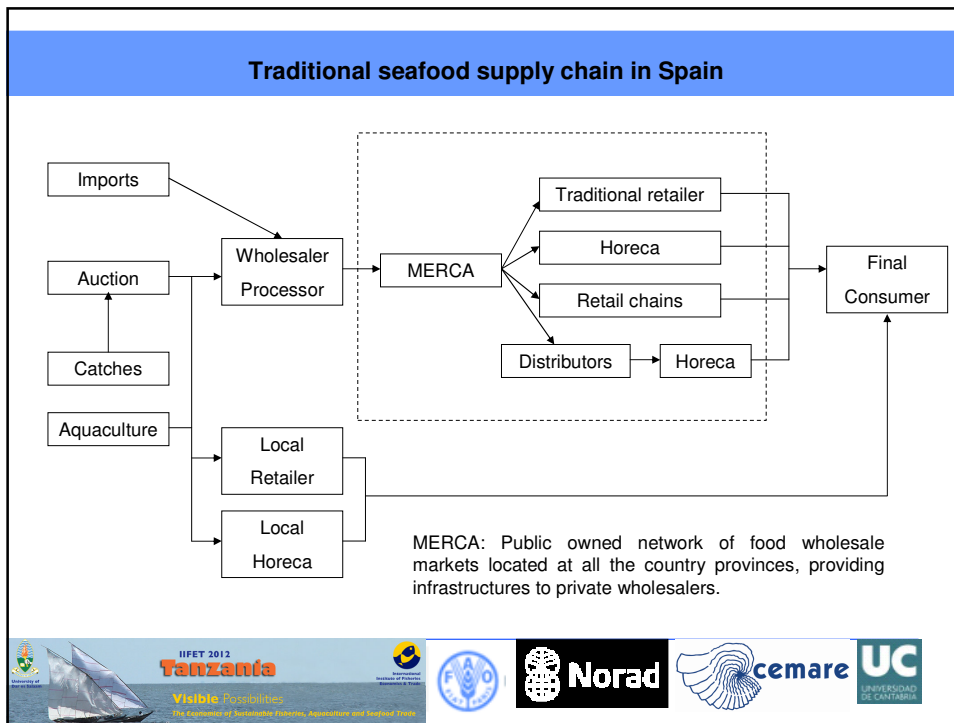
IIFET 2012 biannual conference

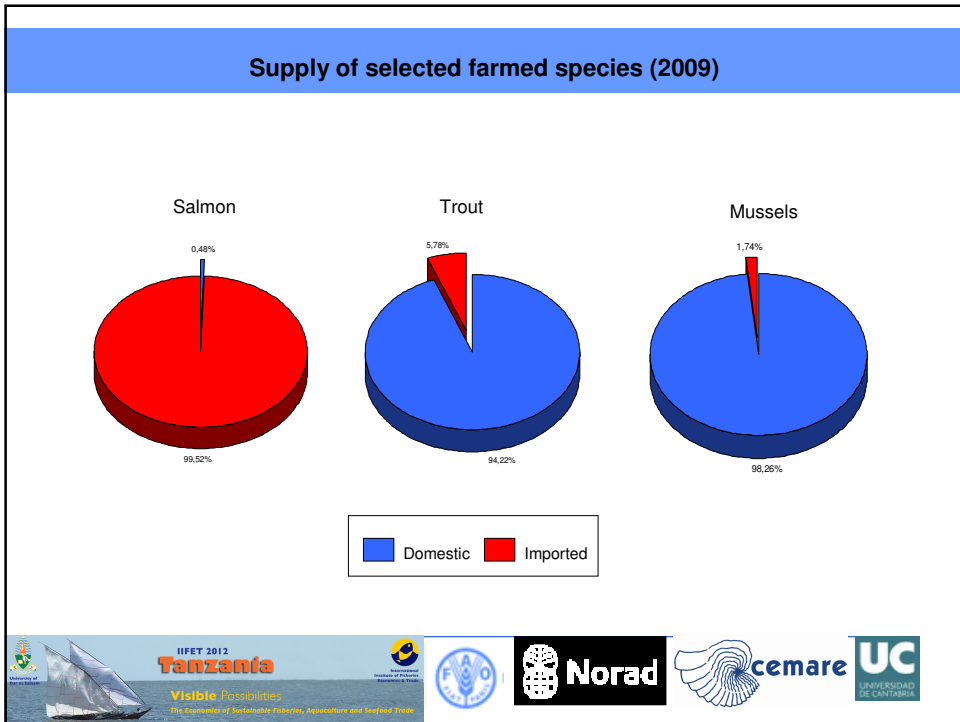
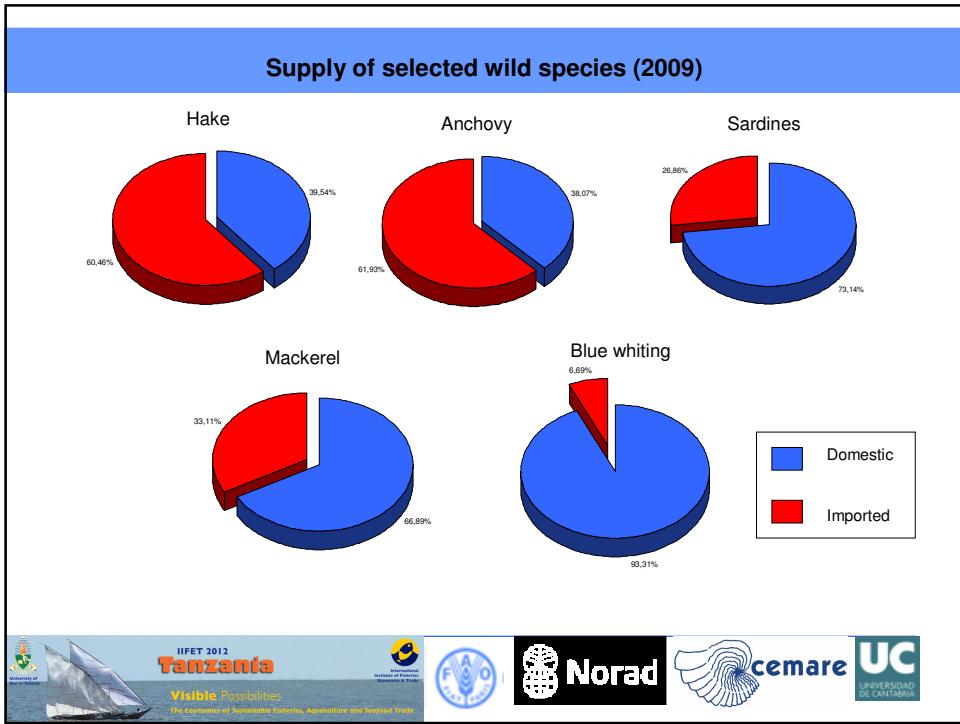
*Dar es Salaam, Tanzania  
 July 2012*



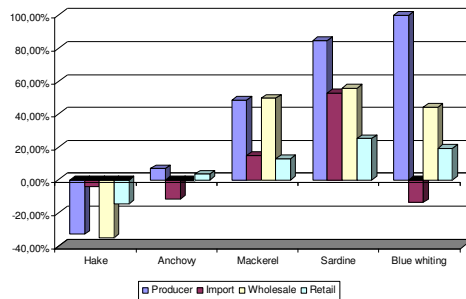
### Sources of seafood supply in Spain







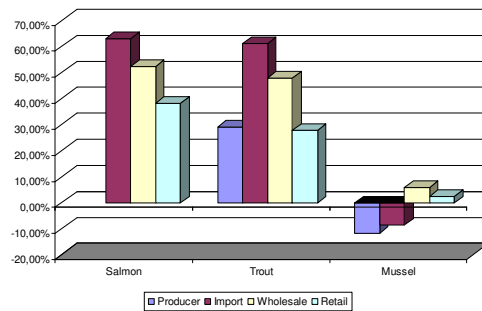
### Variation in prices of wild fishery 2004 - 2011



- The prices of species with large amounts of imports have decreased or moderately increased even in periods of shortage in local supply.
- Retail prices experimented less variations that producers' or wholesalers'.



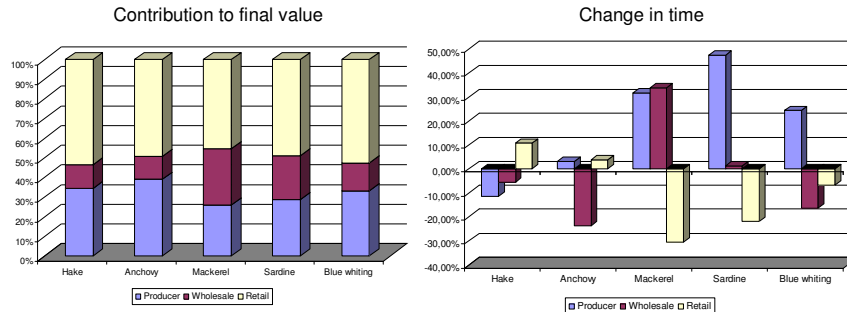
### Variation in prices of aquaculture 2004 - 2011



- The evolution of prices in farmed fish species significantly diverge from that of mussels. Price transmission appears to better work in fish than in molluscs.
- Lower volumes of trout imports prevented local producers to rise their prices in a larger amount like it seems that have happened at the international market.



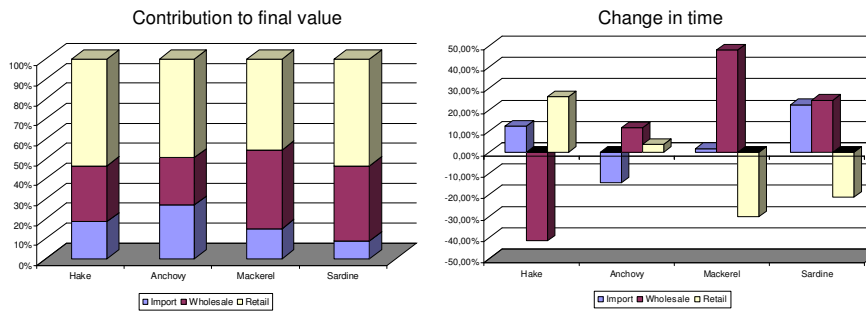
## Added value. Local landings & traditional supply chain



- Value added by wholesalers is bigger for species with low levels of imports. All these species show a decrease in retailers' contribution to final product value.
- Value added by retailers has increased in species with large amount of imported supply while decreased otherwise.



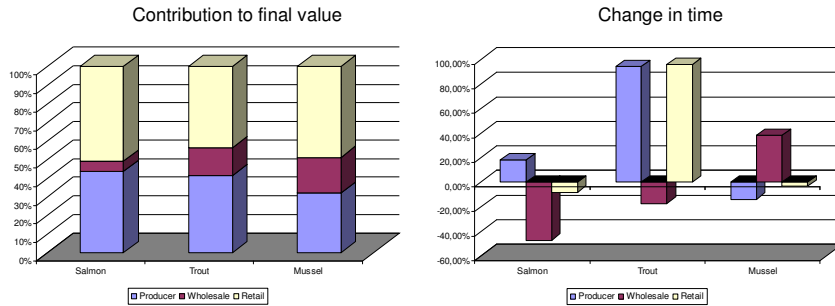
## Added value. Imports & traditional supply chain



- Direct access to imports enlarges wholesalers' contribution to final product value.
- Value added by wholesalers increases along time in almost all species, with the exception of hake. This is due to more stable prices of imports.



## Added value. Aquaculture & traditional supply chain



- Wholesalers contribution is lower in farmed fish species than it is in wild fishery. And they are losing importance.
- Mussels differ from trout and salmon in an increasing larger contribution to value from wholesalers.



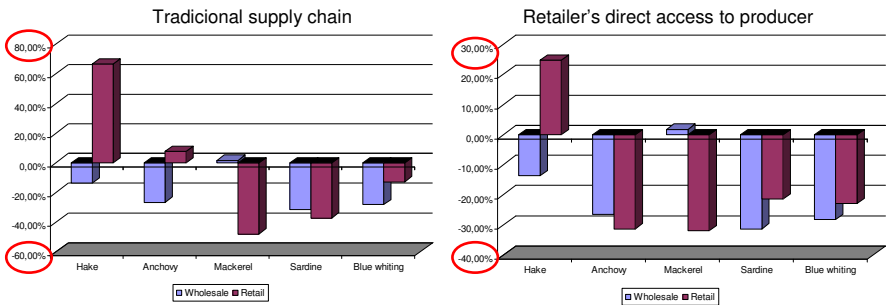
## Gross profit. Wild fishery.



- Backward integration in the supply chain increases considerably retailers' profits but...



### Variation in gross profit. Wild fishery.



- ... increases also volatility for some species like anchovy and blue whiting. Other like hake improve both in profit and volatility.
- Wholesalers' pricing policies contribute to stabilize retailers' profits and reduce risk.



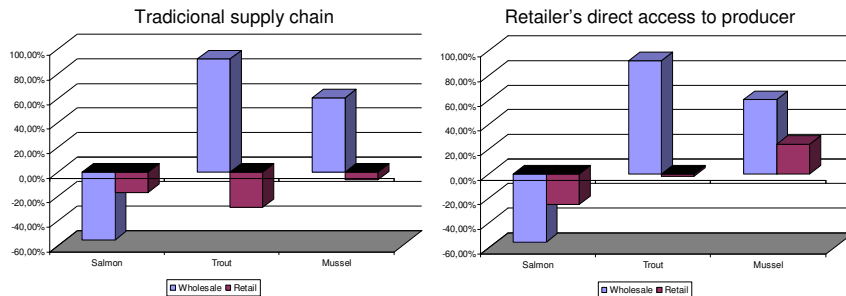
### Gross profit. Aquaculture.



- Retailers increase their profits by backward integration in a larger amount for trout and mussels than for salmon.
- Increased profits due to retailers' access to producers are lower than in wild fishery products.



## Variation in gross profit. Aquaculture.



- By direct accessing local farmers, retailers also reduce volatility of profits.
- No significant improvements are observed in the case of salmon.



## Summary

- Imports prevent the rise of prices of wild fishery products. Products with a large ratio of imports decrease or stabilize their price. This effect may benefit traders and consumers, but negatively affect fishermen's income.
- Prices have shown to be less volatile for retailers than in any other stage of the chain for all species observed. The consequences are improved returns when local an imported species decrease their price, but reduced profits in species with increasing prices.
- Value added by wholesalers is bigger in species with large dependence of local catches. But it differs significantly from one species to another. Evolution in time also differs improving profits in some cases and worsening in other.
- Value added by retailers have increased in species with large shares of imports and decreased at different rates in species dominated by local catches.





## Summary. Backward integration of the supply chain

- Wholesalers' direct access to imports increase their contribution to product value. But this is limited to the availability of species and it may have caused reductions in price and value with some imported products.
- Backward integration by retailers results in considerably larger profits in almost all cases. Some species also result in increasing returns, but other would reduce retailers' profits along time and enlarge volatility and risk.
- Direct access to aquaculture producers by retailers improves profits in locally produced species, but results in low differences or even decreases in imported species.
- When considering backward integration retailers must balance profit versus volatility and risk. Some species like hake and local aquaculture provide both goals. Some other like anchovy and blue whiting will result in less volatility if purchased to wholesalers.



## Thanks for your attention



Boats on a sea fishing. Roman early empire 200 – 300 AD.  
Archaeological Museum, Sousse, Tunisia

